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MACROECONOMIC POLICY QUESTIONS: FINANCING OF DEVELOPMENT

The sources of finance for development at mid-decade

Report of the Secretary-General

SUMMARY

In its resolution 48/187, the General Assembly requested the Secretary-General to submit a report to it at its fiftieth session on the potential sources of financing for development. In responding to that request, the present report focuses its analysis on the levels of saving that could be used to finance investment and the channels for allocating savings to particular investments.

Following a brief introduction (paras. 1-4), the report finds in section I that under current policy plans, there are encouraging prospects over the near-to-medium term for the global volume of saving and the saving by the developing countries as a whole. Aggregate saving by the developing countries, however, mainly reflects the high saving rates that have accompanied rapid economic growth, especially in many Asian countries. The potential for greater saving exists in Latin America and can be realized if adjustment programmes are maintained and sustained economic growth resumes. The situation in many African countries is more difficult, due to the constraints of low levels of income and slow economic growth (paras. 5-21).

The report reviews in section II the factors that determine the development of the main channels of financial intermediation between savings and investment in developing countries, namely, (a) development of the domestic financial sector, (b) access to international private sources of finance, including trends since the Mexican exchange-rate crisis at the end



of 1994, and (c) official flows, particularly official development assistance. A most serious development in this regard is the decline in the total volume of aid in the past two years and the likelihood of further aid cut-backs (paras. 22-52).

The report concludes in section III with observations, questions and practical recommendations for international policy in the three key sectors of finance for development mentioned above (paras. 53-71).

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INTRODUCTION

1. Concern that there are not sufficient financial resources for development has been a preoccupation of international discussions of economic and social affairs at the United Nations from the earliest years of the Organization's existence. The potential sources for the financing of investment are domestic and foreign savings, and two questions thus arise: (a) whether enough savings are placed at the disposal of private and public investment in developing countries and (b) whether those savings are used to finance the most appropriate investments. The first question raises macroeconomic issues concerning domestic saving and the net transfer of foreign saving to developing countries; the second question raises microeconomic issues concerning the role of government and the financial sector in intermediating between savers and investors.
2. The request by the General Assembly, in its resolution 48/187, to prepare a report for its fiftieth session on financing of development underlines the continued importance of the issue in international policy debates. In 1991, the Secretary-General proposed that consideration be given to convoking an international conference on development financing; the proposal was debated through 1993, albeit inconclusively (see A/48/367, p. 3).
3. Recent developments in private and official flows, however, have put the long-standing questions of development financing in a new context, in which the volatility of private flows is more highly appreciated and the significant future growth of official flows, particularly official development assistance (ODA), cannot be taken for granted. Policy makers in some developing countries have thus begun to focus on the disparate characteristics of different types of private financial inflows and many now question the wisdom of early and complete liberalization of the capital account in international transactions. Meanwhile, in some of the developed countries, the prospective role of development assistance itself is being re-examined. A related concern is that the foreign debt difficulties of developing countries - debt owed to both private and official creditors - have for the most part not yet been resolved in a durable manner more than a decade after the debt crisis burst onto the international political stage. That matter is, however, the focus of a companion report (see A/50/379).
4. The main conclusion of the analysis presented here is that in the short to medium term, the world economy seems able to generate the savings needed to finance global investment, including that of the developing countries. It is not so clear, however, whether those savings will find their way in adequate amounts to the more desirable places and will be used for the more desirable projects in terms of equitable, sustainable and efficient development. This will depend on the development of the financial sector in developing countries; economic reform and socio-economic policy more generally; the ability of private and public investors in developing countries to tap international financial resources; and the flow of official resources for development.

I. IS THERE ENOUGH SAVING FOR DEVELOPMENT?

5. Observers of the world economy have been asking for many years whether there is a nascent shortage of saving in the world and how the developing countries would fare in the competition for funding if an actual shortage were to emerge. The question is important, even if the answer is elusive.

A. Global saving behaviour

6. Economists disagree about how to detect a saving shortage, since total savings at any given moment will have been invested in one form or another. Adherents to classical economic thought argue that a rise in real interest rates would be evidence of a saving shortage, since in their view financial markets balance the supply of savings and the demand for investment by changing the prices and earnings on financial instruments. The economics profession has come a long way since John Maynard Keynes challenged that view of the savings/investment process; thinking about the issue today by most economists is much more nuanced. In fact, real interest rates in the 1980s for loans in major currencies were significantly higher than they were in the 1970s, according to some very approximate measures. However, the real interest rate is notoriously difficult to measure. And to offer it as evidence of a global-level saving shortage, one would have to calculate a global real interest rate that embodied the expectations of inflation in a variety of currencies over an indefinite future, and would also have to take account of actual interest rates in each of the relevant markets: all in all, a formidable research task.

7. Another approach that suggests that there might be a global saving shortage notes that the share of gross world product that was invested in the 1980s appeared to fall: perhaps investment had become inadequate in some sense, which must mean that savings were inadequate as well. Yet, because the prices of investment goods fell relative to those of the goods and services that make up current expenditures, the real extent of the decline in the investment share of output was substantially overstated. And although there was still a decline after correction for price changes, new evidence has shown that the prices of capital goods were falling even faster than price indices reported, owing largely to an underestimation of the revolution in computer technology, so that real investment behaviour was not as weak as data suggested. But in any case, this approach does not lead to any conclusion about the adequacy of savings supply: there is no a priori reason that investment should be a fixed share of output. If investment spending has declined as a share of output, it might be for reasons that are independent of whether or not there is any savings shortage. This approach is thus as inconclusive as the global interest rate approach.

8. Finally, those concerned about the adequacy of world savings have observed that the share of gross domestic saving in the gross domestic product (GDP) of the developed market economies was lower in the 1980s than it was in the 1970s: 22 per cent versus 24 per cent. ^{1/} As in the case of the investment indicator noted above, however, price changes - in this instance, changes in the terms of trade of the countries concerned - explain a significant part of the measured decline. Moreover, the remaining decline seems to have been concentrated in the

United States of America, since the real saving of high-income Europe as a share of GDP essentially stabilized in the late 1970s, while that of Japan soared. 2/

9. In the United States, as in other industrialized countries, gross private saving has been on a downward trend, but the most dramatic development has been the drop in saving by general government (combining all levels of government). Since 1982, the United States has not even covered total current expenditures with current revenues, let alone financed any of its public-sector investment; in other words, the government sector of the United States has until recently been "dis-saving".

10. Nevertheless, in the mid-1990s the attendant growth in public debt in the United States and many other industrialized countries has become a substantial policy concern and Governments are putting significant efforts into deficit-reduction policies. 3/ According to the International Monetary Fund (IMF), the general government deficit of the industrialized countries peaked in 1993 at 4.4 per cent of GDP and is on its way to 3.4 per cent in 1995 and 3.0 per cent in 1996. 4/ Projections by the Organisation for Economic Cooperation and Development (OECD) based on medium-term fiscal consolidation plans show a further percentage point decline in the general government deficit of the industrialized countries from 1996 to the year 2000. 5/ In short, although government intentions may not be realized and economic prospects are always uncertain, the contribution of the government sector to the weakening of saving in the industrialized countries is likely to be attenuated. Admittedly, this does not mean that the industrialized countries will generate adequate savings in some absolute sense; it does mean that more resources will be available for investment globally.

11. Most importantly from the perspective of the present report, the weakening in savings in the industrialized countries over recent years does not seem to have had a lasting impact on investment in the developing countries. The aggregate share of investment in nominal GDP in the developing countries, which fell in the 1980s, has since returned to roughly what it was in 1980, in contrast to the lower figure in the developed market economies (see table 1). 6/ In recent years, moreover, the growth of investment in real terms in the developing countries has been strengthening. It has already become quite strong overall and shows less volatility than in the previous two decades, which were greatly affected by the large swings in oil prices and the debt crisis (see figure 1).

12. The investment share for the developing countries as a group is composed of very different subgroups of data. Asian developing countries, especially China, have generally high rates of investment, while investment rates in Africa and Latin America have seriously faltered under the weight of adjustment, debt and development crises (see table 1).

Table 1. Investment and savings of developing
and developed countries, 1980-1993

(Percentage of gross domestic product)

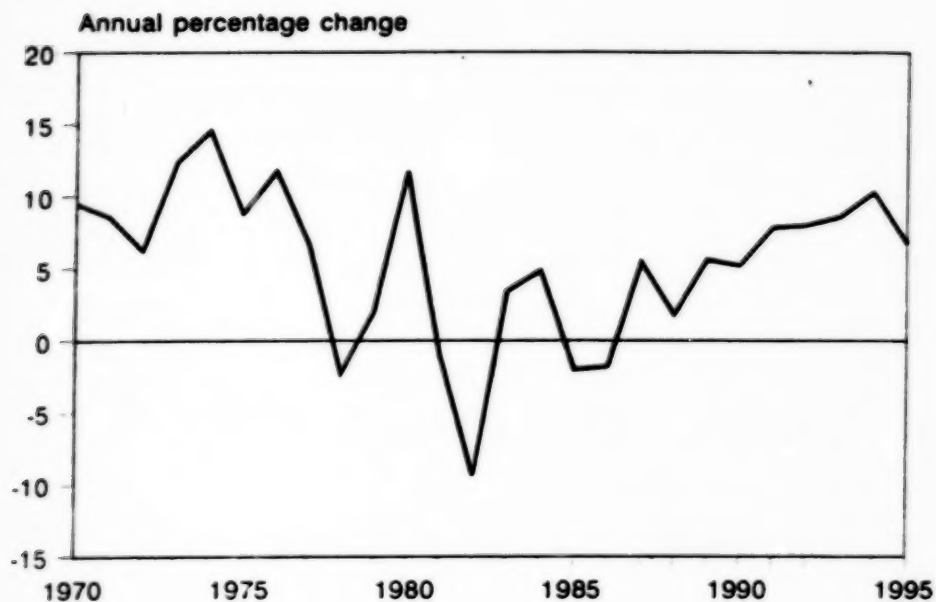
	Gross domestic investment				Gross domestic savings			
	1980	1985	1990	1993	1980	1985	1990	1993
All developing countries <u>a/</u>	26.1	23.7	25.3	25.5	27.0	24.2	26.2	25.1
Latin America	24.8	19.1	19.6	19.6	23.6	23.7	21.9	18.0
Africa	25.6	20.2	20.5	18.2	25.2	19.6	19.3	16.0
West Asia	24.5	21.2	21.5	23.6	41.3	20.2	26.2	22.2
South and East Asia <u>b/</u>	26.3	24.6	29.8	29.5	24.0	24.6	29.0	30.1
China	32.2	40.5	37.2	37.7	32.2	36.5	39.9	38.7
Developed market economies	23.4	21.4	22.2	20.3	23.7	21.8	22.2	21.7

Source: *World Economic and Social Survey, 1995* (United Nations publication, Sales No. E.95.II.C.1), tables A.5 and A.11.

a/ Excluding former Yugoslavia.

b/ Excluding China.

Figure 1. Growth of real investment ^{a/} in the developing countries, 1970-1995



Source: Department for Economic and Social Information and Policy Analysis of the United Nations Secretariat.

^{a/} At 1990 prices and exchange rates.

13. But what of the future? If the African and Latin American economies are to return to the earlier era of relatively high GDP growth, investment rates will have to rise substantially. Low-income developing economies, such as China and India, as well as economies in Africa and Latin America, have a host of long-term investment needs. Investment demand in the rapidly growing middle-income Asian economies is also expanding rapidly, especially for infrastructure, since sustained and high economic growth has created serious bottlenecks. Where will the savings for these additional investments come from?

B. Saving in developing countries

14. On the whole, developing countries have financed virtually all their investment out of domestic saving. The net transfer of resources - the difference between gross domestic investment and gross domestic saving - has not been more than plus or minus 1 per cent of the GDP of the developing countries since 1980, a year of unusually high oil prices when oil exporters placed substantial surplus resources in other countries. Analytically more revealing is the very different behaviour of regional subgroupings of countries.

15. As table 1 shows, the regions with the higher and still growing investment shares in GDP have also had the higher savings shares; indeed, despite investment of almost 30 per cent of GDP in South and East Asia and 38 per cent of GDP in China in 1993 - the latest year for which relatively complete data are available - saving exceeded investment in both areas. Rising savings have thus been adequate to finance increases in investment in the region, although the member countries of the Association of South-East Asian Nations (ASEAN), excluding Brunei Darussalam and Singapore, are notable in their current need for external financing to fill the growing resource gap resulting from the rapid rise in their investment.

16. In Africa and Latin America, investment and savings shares were lower in 1993 than in 1980 and net resource transfers from abroad made significant contributions to investment financing in 1993 in both regions. In Africa, the decline in the savings share has outpaced the decline in the investment share and there has been an increased reliance on external transfers. Latin America saw a shift from a net outward transfer in the 1980s that was related to the foreign-debt crisis to a net inward transfer, as foreign investors brought funds in and domestic residents repatriated overseas holdings. In some Latin American countries, such as Argentina and Peru, the share of investment rose in the 1990s and was largely funded by these new external transfers. In other countries, such as Mexico, while the share of investment in GDP remained stable in the 1990s, consumption increased rapidly and savings fell, requiring the use of the new resource transfers to help to finance that investment.

17. Several factors explain the differences in domestic saving among regions and countries, although their impact varies in countries with different income levels. 1/ The positive effect of income growth on savings is the most clearly established. More rapid economic growth of the slowly growing countries, particularly in Africa and Latin America, could generate a virtuous cycle by promoting investment along with the higher saving that accompanies growth, which

would in turn bolster further growth. By the same token, the high-growth economies can be expected to sustain their saving performance.

18. Reductions in budgetary deficits also seem to have a positive effect on private savings in developing countries: they give a double boost to the savings gain from deficit reduction. ^{9/} Most of those gains, however, have already been obtained, since very substantial budgetary corrections were made in the late 1980s. But additional budget corrections and other forms of deficit reduction will help to bring additional gains. According to IMF estimates, the central government deficit of the developing countries fell from 6 per cent of GDP in 1987 to 3.3 per cent in 1990, remained in that vicinity through the first half of the 1990s, and is expected to fall to 1.9 per cent in 1995 and 1.6 per cent in 1996. ^{2/}

19. Reaching a sustainable macroeconomic configuration has a more general positive effect related to the fiscal correction factor, not so much on the level of savings per se as on the amount that savers retain in the domestic economy. This is because the high saving segment of the population in most countries usually has the capacity to evade foreign-exchange controls; people in this group can thus maintain personal savings goals even if the attractiveness of placing savings within the domestic economy is small. The effectiveness of foreign-exchange controls has always depended on the cost of evasion being high relative to the gain from moving funds offshore, and in today's more integrated financial markets, the ability to evade such controls seems generally greater. However, successful economic stabilization and adjustment also reduces the attractiveness of moving funds to other countries.

20. A final important factor that bodes well for savings is the substantial decline in the dependency ratio of the population in developing countries, that is, the share of the population that is under 15 or over 65 years old. Because population growth is slowing in many countries - mainly through a decline in birth rates - their dependency ratio should continue to decline for many years. ^{10/} With this change in population structure, savings rates can be expected to be boosted.

21. All in all, in the countries that are already growing rapidly - particularly in Asia - the potential for savings to remain strong is high. For the countries that are emerging from the long winter of debt crisis and adjustment - mainly middle-income countries - prospects for generating and retaining substantial additional domestic savings seem to depend on their returning to more rapid rates of economic growth and ensuring the maintenance of domestic adjustment programmes. For low-income, slowly growing countries - especially but not exclusively in Africa and not including all African countries - there does not seem to be scope for substantial growth of the savings share in the next several years.

II. ALLOCATING SAVINGS TO INVESTMENTS

22. Whatever the level of domestic savings and however large or small the net transfer of foreign savings, there is legitimate concern to ensure that those savings are allocated to investment in developing countries in a manner that is

efficient and desirable in the social, political and developmental senses. In addition to sector-specific determinants, this outcome depends on some general policy considerations that have become more salient in recent years. First, if a country's legal system is not well developed, with appropriately specified property rights and laws of contract and an effective enforcement mechanism, then interactions between savers and investors have to be governed by other social mechanisms, such as family or other personal relations. The implication for the selection of investment proposals that get funded is obvious: some good proposals never get a hearing and some inappropriate proposals are implemented, perhaps with subsidies arranged through relationships with officials.

23. The capacity of the price system to accurately reflect relative scarcities is also important to efficient investment design, as are appropriate public policies to address classic market failures, such as in the generation of pollution or the provision of infrastructure. An effective government planning mechanism is essential if necessary social investment - especially for human-resource development - is to be well designed, and is even more essential for efficient government guidance of the investment process in those countries that choose to have activist industrial, agricultural or other sectoral policies. Moreover, a sustainable macroeconomic situation, including external debt-servicing obligations that are within a country's debt-servicing capacity, helps to draw domestic and foreign investors into long-term investment commitments. Another important consideration is the nature of the financial system itself, which is the mechanism for informing potential savers and investors about opportunities for mobilizing savings and for applying them to investments.

A. Financial-sector development in developing countries

24. The financial sectors of most developing countries up until the 1980s consisted broadly of a formal and an informal segment. Banking systems dominated the formal sector, where there was heavy reliance on direct government control in the pricing and allocation of loans. Non-bank institutions (such as pension funds, insurance companies and merchant banks) and capital markets were less developed, and there was very limited access to international sources of finance other than direct investment and syndicated bank loans, mainly for middle-income countries. ^{11/} As a result, largely separate, informal systems of savings and credit developed outside the larger and regulated systems, either providing substantial funds in aggregate to enterprises with limited access to formal-sector credit, as in the case of the "curb" market in the Republic of Korea and other countries, or providing micro-loans to the segments of the economy that were not part of the formal production sector, as in rural areas in many parts of the developing world. ^{12/}

25. More recently, there has been a spate of financial-sector reforms across the developing world, as countries have sought to move towards more market-oriented systems. ^{13/} Reform measures have been wide-ranging and are aimed at significantly reducing the direct intervention of government and increasing reliance on the market. They include the decontrol of interest rates to raise rates on savings deposits and loans; the reduction of subsidized credit directed to the promotion of specific sectors or enterprises; the privatization of banks and reduction of restrictions on private banking and other financial activities;

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the development of domestic capital markets; and the easing of restrictions on foreign investment in the domestic banking system and capital market. The role of government is thus becoming more indirect but is still crucial for providing financial legislation and a system of prudential regulation and supervision of the decentralized financial system.

26. Although with these reforms many functions of the informal financial sector will be absorbed into the formal system, some components of the informal sector may still be needed, particularly where small-scale production activities are important in the economy or where there is a very large rural sector, because the informal financial sector has an advantage in transaction costs when dealing with small-scale clients. Indeed, it is thought that Governments should seek to strengthen these specialized functions and that linkages with the formal sector should be developed to integrate the two sectors. 14/

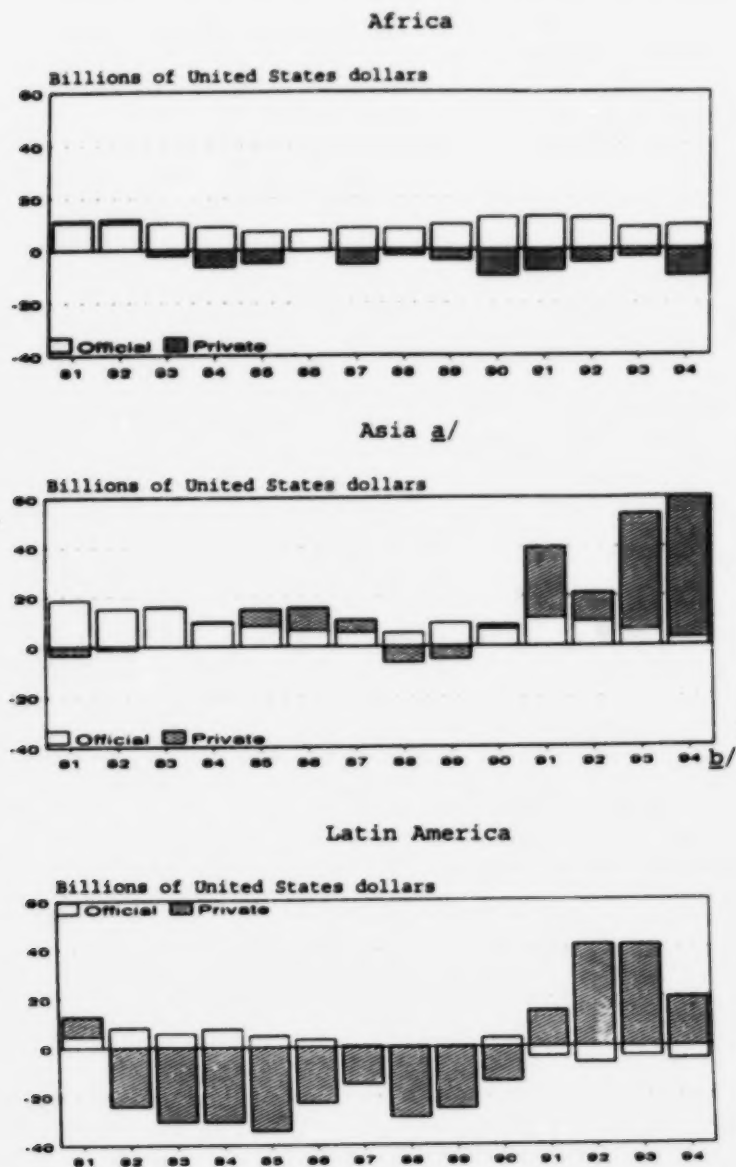
27. Difficult experiences with financial reform in Latin American countries in the 1970s heightened international sensitivity to the importance of an appropriate sequencing of reform measures. The prerequisite for financial-sector liberalization is now thought to be macroeconomic stability, followed by the ending of interest-rate controls and credit allocation, and the phased withdrawal of the direct participation of government in the financial sector. In the experience of many developing countries, banking institutions have often been severely weakened during periods of economic decline and structural adjustment and need to be restructured or recapitalized. The infrastructure of the banking sector - its legislative framework, prudential regulation and supervisory systems, as well as its economy-wide systems of accounting and financial information - must be developed and put in place to promote stability of the financial sector.

28. Another dimension of reform concerns its degree of integration into international markets. There is general agreement on the advantages in the long term of liberalizing international financial flows, albeit after domestic reforms and liberalization, but there is a wide variety of thinking about the pace of liberalization and how much of the broad range of international financial flows to include. A particular concern in recent years has been the potentially destabilizing effect of foreign financial flows on domestic financial markets and the market for foreign exchange. In contrast to the problems of the highly selective and limited availability of foreign private flows in the 1980s, the problem of the early 1990s has been how to cope with flows that could surge to any number of countries. 15/

B. Tapping international finance

29. The three largest developing country regions have had very different degrees of success in drawing upon private financial resources in the international arena. Figure 2 highlights the experiences of Africa, Asia (excluding West Asia) and Latin America in terms of the net transfer of financial resources associated with all private actors, including developing country wealth holders who invested overseas, all flows being counted as net of payments of investment income. The contrast with the net transfer vis-à-vis foreign official donors and creditors is also shown. 16/

Figure 2. Net official and private transfers of resources to Africa, Asia a/ and Latin America, 1981-1994



Source: Same as figure 1.

a/ Excluding West Asia.

b/ Preliminary.

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30. The situation in Africa is especially striking and reflects, more than anything else, the development crisis in much of the continent. The world's private sector has been withdrawing funds on a cash-flow basis for over a decade: interest and dividends paid abroad do not generally come back as new credits and investments, new foreign lending and direct investment in Africa are relatively sparse, and some domestic funds leave the region.

31. But this is not the case in every African country and private capital inflows have increased somewhat in recent years, albeit from a very small base and at a much slower pace than inflows to other developing regions. Some countries, such as Morocco, South Africa, Tunisia, Uganda and Zimbabwe, have seen an increased inflow of private capital; in 1994, for example, South Africa recorded the first net capital inflow since 1984, comprising mainly commercial bank loans and public and private international bond issues. Continued privatization and financial and foreign investment liberalization in several countries, including Côte d'Ivoire, Egypt, Kenya and Zambia, are expected to lead to new direct investment inflows. The new Government and economic reform in South Africa have also created favourable conditions for direct investment.

32. In the cases of Asia and Latin America, the most striking development is the large-scale private inflows that have occurred in the 1990s. Although much has been made of the new flows of investment in the securities of each region, 17/ direct investment has also surged in both regions, particularly in 1993 and 1994 in Asia, where it comprised two thirds of the total net resource transfer.

33. Several factors have been cited to account for the rise in direct investment in the 1990s. 18/ Favourable conditions for sustained economic growth in prospective host countries is a major "pull" factor. Such conditions are usually indicated by economic stability, sound macroeconomic and financial policies, and the degree of market orientation of the economy. Relatively weak exchange rates in the host country provide a cost advantage to foreign investors. Liberalization and simplification of legislation on foreign-direct investment provide increased incentives for investment. In addition, financial and trade liberalization reduces restrictions on the import of inputs and financial flows.

34. Recent measures, such as the privatization of public enterprises and of investment in previously government-monopolized sectors, have created additional investment opportunities, particularly in Latin America and some African countries. 19/ In addition, regional economic integration, whether on a formal basis, as in the North American Free Trade Area and the Southern Cone Common Market, or on a market-generated basis, as in the growth of trade among Japan, South and East Asia and China, has provided a strong impetus for large direct investment flows to developing countries.

35. An important development in private flows that stands out in figure 2 is that the level of 1994 net transfers to Latin America was only half the level of transfers in 1993 and 1992. This change was largely accounted for by a decline in portfolio investment, thus justifying the concern expressed in several quarters that the unrestricted access of developing countries to potentially

"hot" money could expose them to a large degree of volatility in their balance of payments.

36. One reason for the earlier attraction, particularly of Latin America, to financial managers in developed country markets has been the substantial decline in interest rates in the United States of America and other developed countries between 1991 and 1994, which raised the interest-rate premium on developing country placements. Equally significant has been the spreading realization in international financial markets that significant improvements have been made in the economic situation of many middle-income countries. The success of debt-restructuring programmes in regularizing relations with commercial bank creditors, greater political and economic stability, and progress in economic reform in many developing countries, particularly in Latin America, have raised their creditworthiness in the eyes of international investors. Other favourable factors are the opening of developing country markets to foreign investment and the easing of regulations in developed countries on the issuance of bonds and equities by foreign entities. The growing geographical diversification in institutional investment portfolios of developed countries has provided additional impetus. Although such diversification has constituted a very small share of total portfolios, its absolute amount has been very large relative to the size of the financial markets in developing countries.

C. The aftermath of the Mexican financial crisis

37. While the decline in financial flows to Latin America in 1994 raised warning flags, the Mexican balance-of-payments crisis at the end of 1994 has clearly shown the dangers of allowing policy to become dependent on volatile financing.

38. With hindsight (and for many, only with hindsight), it was clear early in 1994 that Mexico had an unsustainably large deficit in its international payments arising from the combination of several years of relatively high inflation and a fixed exchange rate to the United States dollar. Seen in terms of the Mexican new peso, imports became ever more attractive and exporters found it harder to compete in foreign markets. Devaluation would have reversed these disincentives but at the cost of a temporary boost to inflation, since the peso prices of all tradable goods would have risen. However, this had been ruled out for the time being as the fixed exchange rate was seen to be a key feature of the economic stabilization strategy of a governing party that was seeking re-election. The Government had also boosted expenditure and thus its borrowing requirements but it began to have some difficulty in financing its deficit, as political difficulties, such as the troubles in Chiapas and political assassinations, were added to the economic ones. The Government thus shifted to heavy use of short-term financing and introduced an instrument called the tesobono, which paid interest and principal in pesos but at rates keyed to the dollar so that dollar-based purchasers would not bear the risk of loss should there be a devaluation.

39. The Mexican strategy of pegging the peso to the dollar required net capital inflows that would finance the increasing trade deficit. To a dangerously large degree, much of the inflow was of a type that could easily become an outflow.

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As investors increasingly became concerned about the Mexican situation, the inflows slowed and Mexico had to draw on its large reserves of foreign exchange to fill the financing gap. By December, that option was no longer feasible and the peso was devalued. But with investors panicking, the peso/dollar exchange rate began a rapid decline that the Mexican authorities could not stem with the resources at their disposal. Under the leadership of the United States of America, an international rescue package of some \$50 billion was put together. This seemed to stabilize the situation: as adjustment measures began to show results, calm was restored. Mexico has even returned to the international financial markets, although its terms of credit have been quite expensive. ^{20/}

40. Although the case of Mexico had several unique features, once the crisis began international securities investors suddenly reassessed their risks in all the emerging market economies: the contagious effect of the Mexican crisis left no developing country untouched in the short term. Net flows through short-term debt and equity transactions turned substantially negative in the first quarter of 1995, because of large outflows from Latin America as well as from many ASEAN countries. ^{21/} Short-term debt was repaid without new inflows, while investments were withdrawn from equity markets. Equity prices fell 28 per cent in Latin America and almost 8 per cent in Asia in the first quarter. New international equity issues plummeted to half a billion dollars in the first three months of 1995, down from almost \$6.5 billion in the fourth quarter of 1994. There were no new Latin American issues, and issues for Asian enterprises were less than 10 per cent of their value in the previous quarter.

41. Even the less volatile medium and long-term bond markets were shaken. The volume of new developing-country bond issues declined by 58 per cent in the first quarter of 1995, with the decline most pronounced for Latin American bonds. Direct investment was the sector least affected, particularly in the ASEAN countries. In fact, flows to South and East Asian countries increased quite strongly into 1995, boosted by the substantial appreciation of the yen against their dollar-linked currencies.

42. In addition to the decline in the level of flows, the terms and destinations of financial flows were altered significantly, reflecting greater investor discrimination among developing countries in terms of risk. The ability of Malaysia, the Philippines and Thailand to sustain large or growing external deficits in the past few years and since the Mexican crisis is one manifestation of this tendency. At the same time, countries deemed to be high risk face higher costs of funds and a more limited access to credit.

43. This can be seen, for example, in the shortening of the average maturities of bonds offered for sale in the first quarter of 1995: although most new issues were in the range of 1 to 10 years, the maturities of all Latin American issues were less than 7 years. The differences between countries in the cost of funds also increased: five ASEAN countries have seen their credit rating upgraded since the Mexican crisis.

44. Portfolio flows to Asia have resumed since the end of the first quarter of 1995, and flows to some ASEAN countries have accelerated in the second quarter, following the decline in United States interest rates. And with evidence that quick policy adjustments in Mexico as well as in Argentina are reducing trade

deficits, inflows have resumed in the second quarter. 22/ The crisis of confidence is thus passing, although it has left the international policy community shaken and searching for ways to prevent its recurrence, as will be discussed in section III below.

D. A new reality in official financial cooperation?

45. For most of the post-war era, it has been taken for granted that the domestic savings of developing countries need to be supplemented with foreign savings to boost investment adequately and that it is not practical to expect private international financing to do the job: some projects that are developmentally important are just not bankable or practical areas for direct foreign investment. And some countries would have great difficulty in arranging, let alone servicing, any significant amount of credit on commercial terms. Thus, special official mechanisms are needed to intermediate between internationally available savings and investment in the developing countries.

46. As figure 2 indicates, such flows remain especially important to Africa, although they have traditionally played a significant role in Asia as well, particularly in low-income countries. Latin America too has drawn on such resources, albeit primarily the less concessional sources of funds: while it has drawn heavily on IMF, the World Bank and the Inter-American Development Bank, especially in the wake of the 1980s debt crisis and to help set up the collateral for the Brady Plan arrangements to restructure commercial bank debt, Latin America has been making net transfers to the multilateral institutions on a net basis in the 1990s.

47. The multilateral financial institutions make up a major part of the official mechanism for financial intermediation. The development banks raise funds mainly through bonds issued on developed country markets at relatively low interest rates, owing to the implicit guarantee of the bonds by developed country shareholders. IMF has been a special case: its lendable resources are mainly provided as placements with the Fund of some of each country's international reserve assets. Bilateral credits are an additional form of official financial intermediation. Typically, the Government of an industrialized country provides a repayment guarantee for a private bank loan taken by a borrowing country to finance imports from the creditor country, although sometimes the Government of the creditor country provides the loan directly.

48. For the most part, the intermediation activities by official institutions do not require substantial budget allocations from the finance-providing countries. Other official flows of course do, in particular the heavily subsidized loans and grants provided bilaterally or through multilateral channels, principally the concessional affiliates of the multilateral development banks, the International Fund for Agricultural Development and the operational agencies of the United Nations system. Such flows are not so much financial intermediation as transfers from Governments of donor countries to Governments of developing countries. For decades, the ODA expenditures of industrialized countries have had broad support among taxpayers and legislators, and in some countries they still do; as the data in table 2 suggest, however,

/...

there has been a serious erosion of support in some countries, notably but not exclusively the United States of America, once the largest donor and now a distant second to Japan.

49. Far from implementing the United Nations target for development assistance of 0.7 per cent of the gross national product (GNP) of the donor countries, the overall aid effort of the industrialized countries that are members of the Development Assistance Committee (DAC) of OECD fell to an estimated 0.29 per cent of GDP in 1994, the lowest level in 21 years. As of 1994, only four countries exceeded the United Nations aid target: Denmark, the Netherlands, Norway and Sweden, while the aid effort of France put it near the target at 0.64 per cent of GNP. In aggregate, the volume of DAC aid fell in both 1993 and 1994 and the prospects for a turnaround are not bright at present.

50. Moreover, the capacity of traditional developing country donors to maintain their aid flows has been strained in recent years, owing especially to the cost of wars and their aftermath in West Asia and the relatively low price of oil. 23/ The total amount of aid from developing country donors is estimated by OECD to have remained at about \$1 billion a year since 1992, a decline from earlier levels.

51. From this perspective, it is not an exaggeration to say that today the international community is facing a crisis in official development assistance. Until recently, ODA has been a regularly growing source of finance. Even after two years of decline, net receipts of ODA by developing countries still exceeded \$58 billion in 1994, a substantial amount of funding. But the international community has been chiding donors for decades to improve the quality of aid by untying it from purchases in donor countries, providing it on more concessional terms, devoting more of it to least developed countries, enhancing coordination with other donors for maximum impact and so on, all the while pushing for an acceleration in the volume of flows. Apparently, the emphasis must now fall more heavily on improving the efficiency and effectiveness of aid, since the growth of ODA itself can no longer be taken for granted.

52. Current efforts to replenish the resources of the African Development Fund (AfDF), the concessional arm of the African Development Bank, offers a warning about the difficult and protracted negotiations that can ensue today before donors and recipients are able to reach an accommodation: no new AfDF loans have been made since January 1994.

Table 2. Official development assistance of member countries of the Development Assistance Committee of the Organisation for Economic Cooperation and Development, 1974-1994

	ODA/GNP (Percentage)			ODA volume ^{a/} (Percentage change)		ODA amount (Millions of United States dollars)
	1974	1984	1994 ^{b/}	1993	1994 ^{b/}	1994 ^{b/}
Australia	0.55	0.45	0.38	0.3	4.9	1 087
Austria	0.18	0.28	0.29	-0.2	-1.7	561
Belgium	0.50	0.58	0.30	-2.9	-20.7	677
Canada	0.47	0.50	0.42	-0.1	-1.1	2 230
Denmark	0.53	0.85	1.03	1.6	2.5	1 450
Finland	0.16	0.35	0.31	-31.2	-27.4	289
France	0.44	0.62	0.64	-0.2	3.2	8 447
Germany	0.38	0.45	0.33	-6.4	-6.9	6 751
Ireland	0.09	0.22	0.24	30.8	24.1	105
Italy	0.13	0.28	0.20	-9.2	-35.8	1 967
Japan	0.25	0.34	0.29	-12.3	7.9	13 238
Luxembourg	0.00	0.16	0.40	34.6	13.4	59
Netherlands	0.61	1.02	0.76	-4.6	-3.6	2 531
New Zealand	0.31	0.25	0.24	-1.0	1.2	111
Norway	0.57	1.03	1.05	-10.8	11.2	1 137
Portugal	0.00	0.04	0.34	-8.8	17.9	296
Spain	0.00	0.08	0.26	-5.0	3.7	1 247
Sweden	0.69	0.80	0.90	-6.0	-7.3	1 703
Switzerland	0.14	0.30	0.36	-28.6	12.1	978
United Kingdom	0.40	0.33	0.30	1.4	1.5	3 085
United States	0.25	0.24	0.15	-19.0	-4.9	9 851
Total	0.30	0.34	0.29	-5.9	-1.8	57 800

Source: Development Assistance Committee.

^{a/} Prices and exchange rates of previous year.

^{b/} Preliminary.

III. WHAT ROLE FOR INTERNATIONAL POLICY?

53. Almost all investment in the developing countries will someday, be financed by private savings. Not only will relations between business investors and savers mainly be intermediated by the financial sector but public investment will be financed principally by selling government bonds. Savers will act individually and through institutions, such as pension funds, many of which will be private, although some institutions are likely to be government operated in most countries. Most savings used in an economy will originate there but a portion will be foreign and it can be expected that the spreading international diversification of financial portfolios will eventually make the distinction between the behaviour of foreign and domestic savers increasingly hard to discern.

54. That day, however, is far in the future for all but a small number of middle and upper-income developing countries: there is still a major need today for international policy to bolster the financing of development. Three broad targets of international cooperation may be highlighted: financial sector development, facilitated access to international finance and official development assistance.

A. Financial-sector development

55. Perhaps it is best to acknowledge first that there is no shortage of advice on how to reform and develop the financial institutions and markets of developing countries and that not all such advice has equal value. Fads in policy design have repeatedly swept across segments of the community of policy advisers, only to be followed by reassessments after unanticipated difficulties have arisen. 24/ No single model of financial development applies equally well in all institutional, cultural and technological situations. There is no one proper sequence of financial reforms for all countries or for all times. Financial sector policy is part and parcel of the national planning of development strategy and of macroeconomic stabilization needs.

56. The point is that the core of international cooperation in this field is in the nature of technical cooperation, even if there is some official financing of financial sector development. In this context, the best model of international cooperation seems to be that of helping policy makers to pose questions and formulate policy options that have their respective advantages and disadvantages outlined as fully as possible, rather than providing them with answers. Encouraging exchanges of experiences within and across regions of developing countries also fosters the adaptation and redesign of foreign models of reform and turns them into reforms that are owned by the domestic establishment. As in most areas of policy-making, the essence of the process is a cumulative experience of learning by doing.

B. Access to international finance

57. Two words capture the essence of developing countries' capacity to draw on private international financing: confidence and profit. To some degree,

expectations of high profit can overcome a low level of confidence: foreign funds and investors have occasionally been drawn into high-risk situations. But a measure of confidence is required to attract the types of financing that embody the long-term commitments warranted for most investments in developing countries, and that are needed to generate the additions to gross national income with which to pay interest, dividends and profits to foreign suppliers of financing.

58. Basically, two approaches have been followed to international assistance in this area and both remain essential. The first approach has sought to reduce the risk of investing in or lending to developing countries. Standard World Bank loans are examples of the latter: the private saver buys a World Bank bond and the Bank lends the proceeds to a developing country Government. Another example is the World Bank mobilization of commercial bank co-financing of projects that are also supported by multilateral loans, in which explicit and implicit guarantees are embodied in a joint funding arrangement. Multilateral investment guarantees are a further example: they insure direct investors against non-commercial risks. Strengthening international capacity in terms of both approaches entails making sure that the multilateral institutions have adequate capital resources.

59. The second approach to international assistance entails supporting the efforts of Governments to build confidence through policy reform. The multilateral institutions, especially IMF and the World Bank, have also been at the centre of the international effort to reduce the risk associated with the developing country debt crisis. Most recently, on the heels of the Mexican payments crisis and the contagion factor described above (see paras. 40-43), the Governments of the major creditor countries have sought to bolster international confidence in developing economies through a strengthened early-warning system based on enhanced surveillance of economic policies. For decades, private finance has looked warily upon countries undergoing balance-of-payments adjustment, although those that had active IMF stand-by agreements were considered to have an international seal of approval of their policies. The new approach is to involve IMF more closely in policy dialogues with countries that have not sought formal adjustment programmes.

60. Accordingly, consultations should become more frequent and IMF discussions and reports more candid and pointed. Greater attention should be given to countries of global significance, such as Mexico, where adverse developments can spill over and reduce market confidence in other countries. Eventually, however, all countries that do not already have active IMF programmes will be subject to enhanced consultations with the Fund. The major objective of the consultations would be to induce national policy changes before financial market distress becomes unavoidable. But there is no mechanism to precipitate national policy changes by an unwilling Government, and there is often sufficient ambiguity in a situation so that different policy advisers might come to different conclusions.

61. Another aim of the new initiative is to improve the promptness, regularity and transparency of key economic and financial data that Governments supply to the Fund and the world at large. Indeed, influencing the financial market's evaluation of a country's policies by means of publication of IMF country

reports is considered a potent means to influence policy change. The difficulty here is in walking the fine line between releasing a study that would forestall a crisis and releasing one that would precipitate a crisis. In any event, Governments that seek to bolster domestic and international confidence should underwrite the capacity of their statistical and information systems to provide appropriate data on a timely basis.

62. The new initiative recognizes, moreover, that even the most effective surveillance and supervision might fail to prevent national financial crises and, consequently, the capacity to mobilize large amounts of funds in a very short period is needed. In this regard, the summit in June 1995 in Halifax of the seven major industrialized countries has proposed a new standing procedure, an emergency financing mechanism that would provide faster approval of Fund arrangements with strong conditionality and larger up-front disbursements in crisis situations. To support this mechanism, the IMF Group of Ten and other countries with the capacity to support the system have been asked to double as soon as possible the \$28 billion currently available under the General Arrangements to Borrow (see A/50/254, annex I, paras. 17 and 18).

63. The difficulty here is that the mobilization and disbursement of large amounts of funds are meant to reassure financial markets that a country in crisis has a short-term liquidity problem and not a more fundamental solvency problem. To students of the early years of the international debt crisis of developing countries, this will sound familiar. Moreover, as the report of the Secretary-General on external debt crisis and development (A/50/379) emphasizes, a large number of middle-income as well as low-income countries are still considered severely indebted. At best, it is very difficult to draw the line between illiquidity and insolvency, as significant liquidity problems usually arise from doubts about solvency.

64. In any event, the very existence of the new credit line is meant to deter speculation. But while it certainly is suitable for IMF to update its emergency swap lines, they will barely exceed the amount mobilized in the Mexican case: determined speculation against the currencies of one or more middle-sized countries could still defeat a war chest of the size proposed. It might thus be prudent to threaten speculators with an additional weapon to discourage a run on an overvalued currency, namely, the internationally supported imposition of temporary exchange controls, to be coupled with an adjustment programme that would eliminate in an appropriately phased manner the policy inconsistencies that provoked the speculative run in the first place.

C. Official development assistance

65. It is not clear how a further erosion of ODA flows can be stemmed, let alone reversed. But how donors shrink their aid programmes may be as informative as the quantitative cut-backs imposed. First, under budgetary pressure donors pare down bilateral programmes, since most multilateral flows entail multi-year commitments. But when the time comes to negotiate multilateral replenishments, additional multilateral resources are seen as coming at the expense of already stretched bilateral programmes, which are usually perceived to bring political benefits or to respond more closely to

donor Government policies and priorities, since the donor itself is responsible for their supervision and control. Thus, in the budget battle multilateral funds can suffer, especially if the replenishment contributions of each country are set by a fixed burden-sharing formula.

66. When donors reduce their bilateral programmes, some seem to choose to concentrate their assistance on countries in which their economic and political involvement is greater. Others respond to budgetary pressure by trying to preserve and emphasize programmes with a strong anti-poverty element. When programmes are ended, sometimes it is a kind of graduation, and sometimes it is more like triage. And, as in the case of Belgium's ODA in 1994, aid disbursements can plummet because one or more major recipient countries sink into a condition that makes continued assistance impractical. The latter type of situation, at least, should be temporary. Certainly, developing countries that embark on the transition from peace-building to development will frequently need substantial amounts of international support, and most of them will need that assistance on less-than-commercial terms, i.e., they will need ODA.

67. ODA is also needed as an integral part of international cooperation on concrete global issues in the economic, environmental and social arenas. This can be visualized as part of a new model of development cooperation in which all countries commit themselves to working towards collective goals, such as eradicating a disease or protecting a fragile environment: they would share relevant experiences and knowledge, but financial resources would have to be provided by those in a better position to contribute. 25/

68. The problem with ODA as a budgetary category on which parliaments in some countries are reluctant to vote more resources is that there is legitimate reason for scepticism and aid fatigue. ODA has been promoted in legislatures in donor countries as a valuable supplementary form of investment financing, even though it has also provided funds for emergency assistance, and has not been promoted as welfare or as income support, although as a tool of foreign policy during the cold war it sometimes provided primarily income support.

69. Moreover, ODA has provided much more than merely finance: it has also provided a means to project into the developing world a self-confident image of the donor country. ODA has often underwritten programmes to introduce or bolster individual donor country institutions, processes and techniques that might or might not be most appropriate to the local situation or fully consistent with what other donors have been promoting with their aid programmes. With the current plethora of mixed assessments of bilateral and multilateral assistance projects and programmes, the hubris behind some traditional ODA programmes is now emerging.

70. Raising the volume of ODA in the future hinges on being able to make the case for its effectiveness in promoting development and achieving shared international goals. The contribution of ODA to development needs to be argued forthrightly. ODA has the potential to play a significant role in a context of true international cooperation, in which the ideas and proposals that it helps to realize are as likely to originate in the recipient countries as in the donor countries. But ODA is also still needed to supplement the low savings that poor

countries can realistically mobilize, domestically and through private international channels.

71. The intention here is not to overstate the role of ODA in development; ODA is a small part of a large picture. Whether the development process in a country begins to gather momentum still primarily depends on the economic, social and political environment that is established in the country and on the international opportunities and shocks that the developing economy confronts. ODA is one such international opportunity, and for many countries, it is a crucial one.

Notes

1/ Although accounting for only about 2 per cent of world output, there was a very high savings rate - and foreign investment of much of those savings - of a group of capital-surplus oil exporters, mainly in western Asia. But with generally weakening oil prices and regional wars, the average saving rate of these countries fell from almost 65 per cent of GDP in the mid-1970s to less than 25 per cent by the late 1980s (see United Nations, World Economic Survey, 1992 (United Nations publication, Sales No. E.92.II.C.1), pp. 67-69).

2/ Ibid., p. 91.

3/ See United Nations World Economic and Social Survey, 1995 (United Nations publication (Sales No. E.95.II.C.1), pp. 55-62.

4/ See IMF, World Economic Outlook, May 1995, table A15.

5/ See OECD Economic Outlook, No. 57 (June 1995), pp. 10-13.

6/ The low share of investment in GDP in the industrialized countries shown for 1993 was associated with their still sluggish recovery from recession. Data for later years are expected to show a rise in this figure (and in savings).

7/ See International Monetary Fund, op. cit., pp. 69-77 for a survey; and S. Edwards, "Why are savings rates so different across countries?", NBER Working Paper, No. 5097 (April 1995) for an analysis of the determinants of savings.

8/ There is an important caveat: if deficit-reduction policy entails a contraction in output and income, the level of savings may be smaller on balance rather than larger, depending on the size and duration of the contraction; i.e., the means and pace of deficit reduction are important.

9/ See International Monetary Fund, op. cit., table A20.

10/ According to the population projections of the Department for Economic and Social Information and Policy Analysis of the United Nations Secretariat, the dependency ratio of developing countries will decline from 65 per cent in 1995 to 62 per cent in 2000 and 59 per cent in 2005 (see United Nations, World Population Prospects: the 1994 Revision (United Nations publication, forthcoming), table A31).

11/ See M. Long, "Financial sector and economic development", in United Nations, Savings and Credit for Development, Report of the International Conference on Savings and Credit for Development, Klarskovgård, Denmark, 28-31 May 1990 (United Nations publication, Sales No. E.92.II.A.1), pp. 52-66.

12/ See P. B. Ghate, "Interaction between the formal and informal financial sectors", in United Nations, Savings and Credit for Development ..., pp. 134-154.

13/ For a review of recent reforms in developing and transition economies, see United Nations, World Economic and Social Survey, 1994 (United Nations publication, Sales No. E.94.II.C.1), pp. 119-125.

14/ See United Nations, Savings and Credit for Development ..., p. 25.

15/ For analyses of the experiences of Argentina, Chile and Mexico, see R. Ffrench-Davis and S. Griffith-Jones, eds., Coping with Capital Surges (Boulder: Lynne Rienner Publishers and Ottawa: International Development Research Centre, 1995). For an Asian case, a cautious liberalization of the stock market of the Republic of Korea, see United Nations, World Economic and Social Survey, 1994 ..., pp. 115-117.

16/ The sum of the private and official net transfers, conventionally termed the "net transfer on a financial basis" in United Nations reports, differs from the net transfer of foreign savings mentioned here, which is the difference between domestic savings and investment and is usually denoted the "net transfer on an expenditure basis". When the net transfer on a financial basis is larger than it is on an expenditure basis, this means that some of the financial inflows were added to official reserve assets and not used to boost domestic expenditures, as in Asia and Latin America in recent years. For additional conceptual details, see United Nations, World Economic Survey, 1986 (United Nations publication, Sales No. E.86.II.C.1), pp. 163-164.

17/ See, for example, United Nations, World Economic and Social Survey, 1994, pp. 109-118.

18/ See United Nations Conference on Trade and Development, World Investment Report 1994 (United Nations publication, Sales No. E.94.II.A.14), pp. 27-28.

19/ See Economic Commission for Latin America and the Caribbean, "Foreign investment and transnational corporations in Latin America: 1995", Notas Sobre la Economía y el Desarrollo, Nos. 576/577 (May/June 1995); and United Nations Conference on Trade and Development, Foreign Direct Investment in Africa (United Nations publication, Sales No. E.95.II.A.6).

20/ The Government of Mexico successfully placed a \$1 billion issue of bonds in July with a yield of more than 5 percentage points (537.5 basis points) above a standard international benchmark, the London inter-bank offered rate; the bond also contained options to convert to shares in privatized Mexican banks or to purchase shares in State entities being privatized.

21/ Statistics for the first quarter of 1995 cited in subsection II.C are taken from Financial Flows and the Developing Countries: A World Bank Quarterly, May 1995, unless otherwise indicated.

22/ See Emerging Markets Data Watch, J. P. Morgan (New York), 1 and 14 July 1995.

23/ One indicator of the situation in oil-exporting donor countries is that export revenues of the member countries of the Organization of the Petroleum Exporting Countries in 1994 were less than half of what they were in 1974 in terms of their capacity to purchase manufactured exports of industrialized countries (see United Nations, World Economic and Social Survey, 1995 ..., p. 42).

24/ Perhaps the most recent case in point is the increasing favour with which direct controls on short-term capital inflows are now viewed and the slower pace of liberalization of developing-country financial markets that this implies.

25/ See United Nations, World Economic and Social Survey, 1995 ..., pp. 138-139.



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ADVANCEMENT OF WOMEN

Implementation of the Nairobi Forward-looking Strategies for
the Advancement of Women to the Year 2000Report of the Secretary-General

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I. INTRODUCTION

1. Since the endorsement of the Nairobi Forward-looking Strategies for the Advancement of Women ¹/ by the General Assembly in its resolution 40/108 of 13 December 1985, the Secretary-General has presented a report each year to the Assembly on the implementation of the Strategies. In its resolution 49/161 of 23 December 1994, the General Assembly reaffirmed the importance of the Nairobi Forward-looking Strategies for the Advancement of Women for the period up to the year 2000 and provided comprehensive guidance to Governments, the organizations of the United Nations system and intergovernmental and non-governmental organizations on their implementation. It requested the Secretary-General to report to the Assembly at its fiftieth session on measures taken to implement the resolution.
2. In addition, by its resolution 49/162 of 23 December 1994 on the integration of older women in development, the General Assembly requested the Secretary-General to report to the Assembly at its fiftieth session on the implementation of that resolution. The requested material has been included in the present report.
3. The present report has been prepared on the basis of contributions from and in consultation with the organizations of the United Nations system. Information regarding the Fourth World Conference on Women and its follow-up is found in separate reports.

II. PRIORITY THEMES TO BE CONSIDERED BY THE COMMISSION ON THE STATUS OF WOMEN AT ITS FORTIETH SESSION

4. The General Assembly, in paragraph 20 of resolution 49/161, requested the Secretary-General to include in his report an assessment of recent developments that were relevant to the priority themes to be considered at the subsequent session of the Commission on the Status of Women and to transmit to the Commission a summary of relevant views expressed by delegations during the debate in the Assembly.

A. Equality: Elimination of stereotyping of women in the mass media

5. The issue of women and the media, including women as audience and consumers, the employment of women in the media and the stereotyped content delivered by print, electronic media and advertisements, have received increasing attention. The Nairobi Forward-looking Strategies emphasized the critical role of the media in advancing the status of women and the role of women in development and called for the elimination of exploitative and stereotyped portrayal of women in various forms of the media, including in advertisements.
6. The Nairobi Forward-looking Strategies contain references concerning the need for women to be an integral part of decision-making with respect to the

choice and development of alternative forms of communications and the need for them to have an equal say in the determination of the content of all public information efforts. The Strategies also refer to the need to assist organizations aimed at promoting the role of women in development in their efforts to establish effective communications and information networks.

7. The first review and appraisal of the Nairobi Forward-looking Strategies in 1990 stated that practices denigrating the role and potential of women continued to constitute obstacles in many countries, in particular the stereotyped images of male and female roles in textbooks or the glorification of traditional roles in the mass media. The perpetuation of such images retarded women's advancement by providing justification for an unequal status quo. Recommendation III of the recommendations and conclusions arising from the first review and appraisal of the implementation of the Nairobi Forward-looking Strategies, contained in the annex to Economic and Social Council resolution 1990/15, states that Governments should, in conjunction with women's groups, take steps to reduce the stereotyping of women in the mass media, whether by self-policing on the part of the media or by other measures. The United Nations Secretariat, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and other appropriate organizations of the United Nations system should continue to analyse the extent and effects of stereotyping of women and should implement innovative programmes to combat it. Another reference is made to the role of the media in the context of violence against women. Recommendation XXII states that the United Nations system, Governments and non-governmental organizations should study the relationship between the portrayal of violence against women in the media and violence against women in the family and society, including possible effects of new transnational transmission technologies.

8. The second review and appraisal of the implementation of the Nairobi Forward-looking Strategies, in 1995, stated that the nexus of women, media and development was finally being recognized as a central element of local, national and international agendas of research, policy-making, funding and other action.

9. In the matter of media content and gender portrayal, there has been progress in raising awareness on the issue and removing bias, but in general, the media continue to reflect and reinforce traditional gender stereotypes. Women are still portrayed in traditional roles with an emphasis on their presumed passive and dependent character. Social and occupational roles are divided along gender lines. Women tend to be depicted within the home and are rarely portrayed as rational, active or decisive. Although media images may challenge traditional perceptions of the role of women in society, they more often serve to reinforce them.

10. Women are frequently shown as victims or in helpless conditions. Differences in the portrayal of men and women indicate that social roles and behaviour are scrutinized according to stereotyped expectations and interpretations. The media coverage shapes how political leaders are evaluated, with women framed in ways that perpetuate their lack of participation in decision-making. Media agenda-setting influences which issues are given priority, with policies for women given a lower level of concern.

11. Many women's groups and consumer associations have begun media monitoring. Media watch groups try to note instances of stereotyped representation of women and to make media producers aware by providing media-literacy training and eventually to empower the audience. Audience studies and reception analyses are available throughout developed countries, however, there is little data on women as an audience in developing countries. Figures on access to media use in developing countries show disparities that are linked to the availability of the various forms of the media and to the level of education and the persistence of illiteracy.

12. Employment patterns in the media have changed, with a global trend towards increased professional activities of women in all forms of the media. Over the past 15 years, the number of women educated and trained in communications and journalism has increased. In many countries, women account for 50 per cent of the students in journalism and communication studies. However, the proportion of women professors in journalism and communication studies is limited in most countries and the curricula do not prepare students on gender-related issues in their profession.

13. Furthermore, the proportion of women employed in the mass media does not correspond to the number of female graduates. The majority of women occupy administrative jobs in media organizations, while only a minority become producers and creative staff. The number of women in decision-making positions able to shape media policy and content is very low. Women's access to influential positions in the media is hampered by barriers such as attitudes, working conditions and work assignments.

14. Through research and training, national and international efforts have been made to understand the situation of women world wide and to empower women to influence private attitudes, public opinion and policies. These efforts, however, have made limited use of the media and new communication technologies to promote and disseminate research, to stipulate greater interaction among people and to provide training and sources of education for the advancement of women.

15. Women's alternative media, including media associations and networks, have increased world wide and have developed a niche that can have an impact on the mainstream media. The most established of the alternative media are print media, which have a wide circulation in developed countries. Electronic media are increasingly available and used by women, particularly radio, which is the cheapest and most widespread form of electronic media in developing countries. The INTERNET and e-mail have gained importance and have been widely used by women activists for global networking.

16. As communication technologies and the media acquire a global reach, their power to influence public opinion and the course of development increases. Those with access to and control of the media and communications, therefore, are in a position to influence the course of development, equality and peace. There is a need to examine the ways in which women are using communication technologies, the impact they have on women, the constraints to women's access to innovative communications technologies and how women can enter the mainstream of these developments. Women's access to communications and the media needs to

be enhanced if women are to participate effectively in decision-making on all aspects of development.

17. The mass and alternative media, as well as new communication technologies (such as CD-ROM, e-mail, satellite, remote-sensing), are important vehicles through which information can be exchanged expeditiously and training and education extended to women. The globalization, privatization and commercialization of the mass media have reached new dimensions. Transnational broadcast networks have increased as has the privatization of national media networks. With privatization, the question of control of media content and guidelines for media ethics becomes even more difficult to handle.

18. In preparation for the Fourth World Conference on Women, UNESCO organized an international symposium on women and the media: access to expression and decision-making, which took place at Toronto, Canada, from 28 February to 3 March 1995. The symposium adopted the Toronto Platform for Action, which sets out specific recommendations for achieving women's equality in the media and addresses them to Governments, media enterprises, professional media organizations, non-governmental organizations, educational and media training institutions and others.

19. In order to explore the subject of women and the media further, as mandated by the Commission on the Status of Women, an expert group meeting on the portrayal of women and men in the media will be convened at the Joan Shorenstein Center on the Press, Politics and Public Policy, John F. Kennedy School of Government, Harvard University, Cambridge, Massachusetts, from 16 to 20 October 1995. Taking place immediately after the Fourth World Conference on Women, in Beijing in September 1995, the meeting will draw on the action proposed in the Platform for Action under critical area "J".

20. The meeting will undertake a comparative analysis of content, portrayal and coverage of women and men in the mass media so as to discern progress and possible backlash. It will evaluate developments in the past 20 years, including the increase of commercialization, sexually explicit material and pornography. Emphasis will be put on globalization of the mass media and the impact of transboundary transmission in the portrayal of women and men. Questions related to media monitoring such as self-regulation and guidelines versus formal directives and legislative constraints will be examined.

B. Development: Child and dependant care, including sharing of work and family responsibilities

21. The priority theme was suggested in the recommendations and conclusions arising from the first review and appraisal of the implementation of the Nairobi Forward-looking Strategies for the Advancement of Women to the year 2000, contained in the annex to Economic and Social Council resolution 1990/15, and will be taken up by the Commission on the Status of Women during its fortieth session, in March 1996.

22. Since 1975, several international instruments have reflected a consistent emphasis on the need for reducing the double burden on women of work and family

responsibilities. The Convention on the Elimination of All Forms of Discrimination against Women, in its articles 5, 10 (c) and 11, sets out specific legal requirements for States parties to encourage the sharing of family responsibilities between men and women and the elimination of discrimination on the basis of sex.

23. In 1981, the International Labour Organization adopted the Workers with Family Responsibilities Convention (No. 156) and Recommendation (No. 165). The instruments have the dual objective of creating equality of opportunity and treatment in working life between men and women who have family responsibilities and between these workers and other workers. They call upon member States to make it an aim of national policy to enable persons with family responsibilities, who are engaged or wish to engage in employment, to exercise their right to do so without being subject to discrimination and, to the extent possible, without conflict between their employment and family responsibilities.

24. The Nairobi Forward-looking Strategies emphasized that neither the actual expansion of employment for women nor the recognition that women constitute a significant proportion of producers has been accompanied by social adjustments to ease women's burden of earning a living and taking care of children and domestic chores. Despite significant efforts in many countries to transfer tasks traditionally performed by women to men or to public services, traditional attitudes continue to persist and, in fact, have contributed to the increased burden of work placed on women. The Strategies highlighted the complexity and multidimensional aspects of changing sex roles and norms and the difficulty of determining the specific structural and organizational requirements of such a change.

25. Women's economic independence and access to gainful activities is a precondition for self-reliance in a viable and sustained way. For this reason and in order to reduce the burden on women of work and family responsibilities, it was necessary to recognize and measure women's unremunerated work, including reproductive activities. Reproductive activities are understood in a broad sense to be those carried out to reproduce and care for the household and community, including fuel and water collection, food preparation, child care, education, health care and home maintenance. These activities, which are often viewed as non-economic, generally carry no monetary compensation and are excluded from national income accounts. The promotion of changes in social attitudes with respect to the role of women in society requires the establishment of a system of sharing parental responsibilities by women and men and by society, as well as the provision of a social infrastructure in both urban and rural areas.

26. To achieve the sharing of parental responsibilities between men and women and society, the following measures need to be taken: (a) introduction of flexible working hours for men and women; (b) development and strengthening of maternity protection schemes; (c) introduction of parental leave; and (d) accessible child-care facilities for working parents.

27. In paragraph 19 of the recommendations and conclusions arising from the first review and appraisal of the implementation of the Nairobi Forward-looking Strategies, set out in the annex to Economic and Social Council resolution

1990/15, it is noted that urbanization, migration and economic changes have increased the proportion of families headed by women and the number of women entering the labour force. These women have experienced increasing difficulties in harmonizing their economic role with the demands on them to provide care for children and dependants. The double burden, rather than being reduced by greater sharing between spouses, has increased. Unless it is reduced, women will not be able to play their full and fair role in development.

28. In the same resolution, in recommendation XVII, it is noted that support measures should be established with a view to facilitating the combination of parental and other caring responsibilities and paid employment, including policies for the provision of services and measures to increase the sharing of such responsibilities by men and women and to deal with specific problems of female-headed households that include dependants.

29. In the same recommendation, the United Nations Secretariat, the United Nations Children's Fund (UNICEF) and other appropriate organizations of the United Nations system were requested to make special efforts to analyse the issues of caring for children and dependants and sharing domestic, parental and other caring responsibilities, including the appraisal of national experience.

30. The second review and appraisal of the implementation of the Nairobi Forward-looking Strategies concluded that the feminization of employment has been one of the most important economic changes of the past decade in terms of both the rapid influx of women into the paid labour force and the emerging patterns of employment. Estimates show that more than one third of all women aged 15 years and older are in the formal labour market. Female economic activity has increased over the past two decades in almost all regions and, if activities in the informal sector were counted, the increase would be even greater. About one half of all economically active women in developing countries are employed in the informal sector.

31. During the past decade, female participation in the labour market has grown at an average of 10 per cent in all regions of the world, i.e., twice the rate of their male counterparts, and women's representation in the economically active population doubled between 1970 and 1990. In most parts of the world, women are no longer a "reserve" labour force; they are more and more becoming the workers who remain economically active throughout their working lives. The trend towards rising female labour force participation is a stable one, occurring at the same time as economic activity rates for men have been falling.

32. One quarter of all households world wide are headed by women, and households are dependent on female income, even where men are present. Evidence has been found that the strong correlation between female headship and poverty is also a result of higher dependency ratios.

33. However, despite these trends, structural adjustment programmes in many countries have forced cuts in basic services and in investments in human development, shifting the responsibilities of basic social services from Governments to women without compensation. And, while there has been increased understanding that social protection needs to be accorded to workers and female heads of households, particularly in terms of services such as child care that

enable women to reconcile their productive and reproductive roles, global restructuring has reduced the likelihood that such facilities are provided either by the State or by private enterprises. As a result, there is concern about how children and dependants are cared for and what alternative ways of sharing family responsibilities could be provided in this new context.

34. The double burden on women of work and family responsibilities and the extent to which the sharing of these responsibilities between women and men has changed or is expected to change are issues that merit further research. Quantitative measurements of the sharing of women and men of family responsibilities need to be developed to help establish more practical and quantifiable policy targets. One approach currently used is through time-use studies that provide indicators of the time devoted by women and men to family activities and to work. Other approaches should also be explored.

35. In order to develop the subject further, an expert group meeting will be held from 4 to 8 December 1995 in cooperation with the Government of the Republic of Korea, at Seoul. The main objective of the meeting is to define policies for child and dependant care that could involve men as central actors, mainly in developing countries. It is proposed that the following matters be discussed at the meeting:

(a) The existing modalities for child and dependant care for working parents and women heads of households, in the formal and informal sectors;

(b) The impact that the feminization of the labour market has or could have on the actual division of labour between men and women, including child and dependant care;

(c) The progress and potential backlash of alternative policies, programmes and projects involving men in the sharing of work and family responsibilities.

36. The meeting will study a number of topics and formulate policy recommendations to be forwarded to the Commission on the Status of Women at its fortieth session, in 1996. Experts will be invited to prepare inputs on a specific issue and to reply to questions. Scheduled to take place immediately after the Fourth World Conference on Women, the meeting will draw on the conclusions of the Conference. A central theme in the Platform for Action adopted by the Conference is expected to be the sharing of responsibilities.

C. Peace: Education for peace

37. The role of women in education for peace is one of the main themes of research, action and training in the area of "women and peace". This issue has been addressed on a number of occasions, including at the Expert Group Meeting on Women and Peace, held at Vienna in 1983, and in the report on access to information and education for peace (E/CN.6/1988/5), submitted to the Commission on the Status of Women at its thirty-second session, in 1988.

38. In both the first (1990) and second (1995) reviews and appraisals of the implementation of the Nairobi Forward-looking Strategies for the Advancement of Women, many countries reported on the role of women in education for peace, although the issue was given less attention in 1995 than in 1990. In the second review and appraisal, such issues as war-related violence and its impact on women; the role of women in peace-keeping and the peacemaking process; women in the military and police force; and the participation of women in decision-making in the areas of peace and security gained a more prominent place on the agenda.

39. With the end of the cold war, however, and with attempts to establish democracy and a new world order, there has been a growing understanding that these goals cannot be achieved without the full participation of women. Thus, in this context, there is a need to revisit the concept of education for peace and the role that women can play in this respect. There is a realization that what is needed is a new culture, a culture of peace, that involves changing attitudes, beliefs and behaviours from everyday life situations to high-level negotiations between countries, and that education for peace should be seen as an important element of the transition from the present culture of violence to a culture of peace. 2/

40. The specific role that women can play in this process results from the fact that, as a group, they are neither among the decision makers nor among the beneficiaries of the established power structure and the existing socio-economic, political and cultural establishment. For example, women constitute the majority of war refugees, although they had no say in the armed conflicts that uprooted them; they own hardly any property and are among the poorest of the poor, although they secure the daily survival of their families. As stated in the draft Platform for Action: "The power relations that impede women's attainment of fulfilling lives operate at many levels of society, from the most personal to the highly public" (A/CONF.177/L.1, para. 183).

41. Because of their experience in coping with daily problems and the resolution of conflicts in the family, of being the educators of children and young people as mothers and as representatives of the teaching profession; and as grass-roots and community activists challenging environmental damage, militarization, the arms race and the trade in arms, corruption and violence, women can make a unique and largely untapped contribution to education for peace aimed at the creation of a culture of peace.

42. The expert group meeting on women's contribution to a culture of peace, organized by UNESCO in cooperation with the Division for the Advancement of Women, which was held at Manila from 25 to 28 April 1995, addressed some of those issues and emphasized, from a woman's perspective, certain characteristics of the predominant culture of violence and of a culture of peace to be created. The meeting stressed the special role that women can play in the transformation from a culture of violence towards a culture of peace and considered gender inequality as one of the crucial obstacles to such a transformation. The meeting identified the following as the basic characteristics of a culture of peace: equality between women and men; respect for differences and recognition of diversities as creative and enriching to human potential; complete refusal of dominance, exploitation and discrimination in all human relations and social structures; responsibility for solidarity and assurance of well-being of

vulnerable persons by the world community; an end to the "insider-outsider" mentality and to people being treated as either exploitable or expendable; power derived from shared capacities and responsibilities; and respect for all human rights.

43. As the principles and guidelines for achieving a culture of peace, the meeting identified cultural diversity and social and structural change rooted in the local community and aimed at the gradual elimination of the existing causes of conflicts. It called for the achievement of comprehensive security, encompassing such dimensions as ecological, economic, political, cultural, social and individual security, and focused on prevention, peacemaking and peace-building rather than the use of force, and on respect for human rights and a complete end to discrimination. It advocated partnership contracts between the family and the global society based on equality, partnership and equal citizenship of men and women. It identified developments for economic and social justice, including examination of all policies from the perspective of their impact on the human rights of women, peace and the natural environment; and education, arts and communication for transformation, with special emphasis on gender equality, values and attitudes in education, literacy and basic education programmes in all the poorer sectors of society.

44. The creation of a culture of peace defined in that way would require a special, new type of education. Such education should be value-oriented and focus on human solidarity, mutuality, justice, equality of the sexes and respect for diversity and human rights. It should provide skills enabling society to renounce violence as a means of achieving individual or collective purposes and to prepare for participation in conflict management, peacemaking, peace-building, social dialogue and negotiations. It should also pursue the concept of a global community rather than separate competitive societies and should develop consciousness of the unity of humankind and the natural environment. This new type of education should also provide a sense of global citizenship, prepare for participation in the democratic transformation of societies, including the decision-making and peace process at the national and international levels. Women's holistic approach to peace, security and citizenship makes them particularly qualified to take the lead in this new type of education for peace.

45. On the basis of these conclusions, the report suggested an approach for dealing with the wider issue of bringing women into the peace process, including, in particular, through education for peace.

III. GENERAL ASSEMBLY RESOLUTION 49/161 ON THE IMPLEMENTATION
OF THE NAIROBI FORWARD-LOOKING STRATEGIES FOR THE
ADVANCEMENT OF WOMEN

A. Cooperation by the organizations of the United Nations
system with the Commission on the Status of Women on
the implementation of the Nairobi Forward-looking
Strategies

46. The General Assembly, in its resolution 49/161, reaffirmed the central role of the Commission on the Status of Women in matters related to the advancement of women, and called upon it to continue to promote the implementation of the Nairobi Forward-looking Strategies to the year 2000, based on the goals of the United Nations Decade for Women: Equality, Development and Peace, and the sub-theme "Employment, health and education", and urged all relevant bodies of the United Nations system to cooperate effectively with the Commission in that task.

47. The nineteenth ad hoc Inter-Agency Meeting on Women was held in New York on 13 and 14 March 1995. The main work of the Meeting related to the preparations for the Fourth World Conference on Women; the Meeting also discussed the form of inter-agency cooperation after the Conference. The Meeting reiterated its recommendation to the Administrative Committee on Coordination (ACC), made at its eighteenth meeting, to establish the ad hoc Inter-Agency Meeting on Women on a permanent basis as a coordination and cooperation mechanism for the implementation of the Platform for Action and for the programme on the advancement of women. The Meeting underlined the important role it played in the implementation of the Nairobi Forward-looking Strategies and in the preparatory process for the Fourth World Conference on Women. At the same time, the importance of integrating a gender approach into the work of all subsidiary bodies of ACC was emphasized.

48. In compliance with Economic and Social Council resolution 1993/16 of 27 July 1993, the Meeting held discussions on the preparations of the revised system-wide medium-term plan for the advancement of women for the period 1996-2001. It was recommended to hold an extraordinary Inter-Agency Meeting in conjunction with the discussion of the item on the advancement of women in the Third Committee of the General Assembly at its fiftieth session, to consider a draft of the revised system-wide medium-term plan.

49. A joint statement of the Inter-Agency Meeting concerning the institutionalization of a gender-sensitive system-wide inter-agency structure was delivered to the Commission on the Status of Women at its thirty-ninth session. It stressed that in order to accomplish the implementation of the declarations and programmes of action adopted at world conferences, such as the United Nations Conference on Environment and Development, the World Conference on Human Rights, the International Conference on Population and Development, the World Summit for Social Development and the Fourth World Conference on Women, in a manner that would ensure complementarity, synergy and a gender perspective, the Inter-Agency Meeting should be institutionalized, since to date there had been no such formal system-wide structure with competence on gender-related matters.

50. With regard to specific organizations of the United Nations system, the Food and Agriculture Organization of the United Nations (FAO), in its substantive programme activities, continued to develop innovative interventions oriented towards increasing rural women's access to and control of productive resources, especially through improved extension and training. Many FAO activities highlighted the crucial roles played by rural women in such areas as food security, household nutrition and family well-being, demographics, and ecologically sustainable development. In a number of countries, institutional capabilities to recognize the differential needs and constraints of rural women as opposed to men have been strengthened, and the ability of these institutions, both governmental and non-governmental, to deliver services that reflect these differential needs and constraints has been enhanced. By learning from these experiences, FAO will be better prepared to replicate successes in other countries and to develop even better interventions in the future.

B. System-wide medium-term plan for the advancement of women for the period 1996-2001

51. By its resolution 1993/16, the Economic and Social Council endorsed the system-wide medium-term plan for the advancement of women for the period 1996-2001 as a general framework for the coordination of system-wide efforts. It requested the Secretary-General, in his capacity as Chairman of ACC, to arrange for a revision of the system-wide medium-term plan after the Platform for Action and the results of the second review and appraisal of the implementation of the Nairobi Forward-looking Strategies for the Advancement of Women have been adopted. In resolution 49/161, the General Assembly requested the Secretary-General, in formulating the system-wide medium-term plan, to pay particular attention to specific sectoral themes that cut across the three objectives - equality, development and peace - and to include, in particular, literacy, education, health, population, the impact of technology on the environment and its effect on women and the full participation of women in decision-making, and to continue to assist Governments in strengthening their national machineries for the advancement of women.

52. At the nineteenth ad hoc Inter-Agency Meeting on Women, convened under the auspices of ACC, agreements were reached among the organizations of the United Nations system regarding revisions to the system-wide medium-term plan. The plan will be structured according to the critical areas of concern set out in the Platform for Action and will include those actions that are expected to be taken by the relevant organizations of the United Nations system during the plan period. The critical areas of concern include all the issues emphasized by the General Assembly in resolution 49/161.

53. A draft of the plan is in preparation and will be finalized in November 1995 and submitted to the Commission on the Status of Women at its fortieth session. After taking into account the Commission's comments, a final draft will be considered by ACC and forwarded to the Economic and Social Council through the Committee for Programme and Coordination.

C. Women with disabilities, elderly women and also women in vulnerable situations such as migrant and refugee women and children

54. In paragraph 10 of resolution 49/161, the General Assembly strongly urged that particular attention be given by the competent United Nations organizations and Governments to the special needs of women with disabilities, elderly women and also women in vulnerable situations such as migrant and refugee women and children.

55. The Commission on the Status of Women, at its thirty-ninth session, in considering the preparations for the Fourth World Conference on Women and especially the draft Platform for Action, emphasized that the situation of various groups of women, including refugees, migrant women, indigenous women and women with disabilities, be reflected.

56. Separate reports on violence against migrant women workers and on traffic in women and children are being submitted to the General Assembly.

57. In its resolution 39/2 on the release of women and children who have been taken hostage in armed conflicts and imprisoned, the Commission on the Status of Women urged all parties to conflicts to release all women and children who had been taken hostage in areas of armed conflict. The Commission also requested the Secretary-General to submit a report on the matter to the Commission at its fortieth session. 3/

58. The International Research and Training Institute for the Advancement of Women (INSTRAW) noted that women in export processing or free trade zones are also vulnerable to exploitation and abuse. This seemed to be increasingly prevalent and a threat to the rights of these women workers. This issue is among the potential subjects meriting further study, especially in the context of structural adjustment and the new trade agreements.

D. Steps to be taken by the Division for the Advancement of Women, in cooperation with other United Nations bodies, to ensure that relevant human rights mechanisms of the United Nations regularly address violations of the rights of women

59. In resolution 49/161, the General Assembly requested the Secretary-General to prepare a report for the Commission on the Status of Women, for consideration at its thirty-ninth session, on steps to be taken by the Division for the Advancement of Women, in cooperation with other United Nations bodies, specifically the Centre for Human Rights, to ensure that relevant human rights mechanisms of the United Nations, such as treaty-monitoring bodies, special rapporteurs and working groups, regularly address violations of the rights of women, including gender-specific abuses. The requested report was submitted to the Commission, including progress in preparing a joint work plan on women's human rights for the Centre for Human Rights and the Division for the Advancement of Women.

60. The Commission on the Status of Women, in its resolution 39/5 on mainstreaming the human rights of women, stressed the importance of cooperation and coordination between the Commission on the Status of Women and the Commission on Human Rights to ensure that the United Nations human rights mechanisms address, on a regular basis, violations of the human rights of women and that the Commission on the Status of Women regularly takes stock of that integration process while carrying out its central role of monitoring activities relating to the status of women. The Commission recommended that the Division for the Advancement of Women provide input for the next meeting of the persons chairing the human rights treaty bodies, providing background analyses of the relevant articles of the Convention on the Elimination of All Forms of Discrimination against Women, in order to assist the treaty bodies in addressing violations of the human rights of women by, inter alia, amending their reporting guidelines, in the consideration of State reports and in the preparation of general comments. 4/ The Division has prepared an analysis of methods for incorporating gender factors in the work of the treaty bodies and has submitted it, through the Centre for Human Rights, to the sixth meeting of persons chairing the human rights treaty bodies.

61. The Commission encouraged the Division for the Advancement of Women to provide relevant material it receives or prepares, through the Centre for Human Rights, for the information of the treaty bodies in their work and to cooperate with and assist the Special Rapporteur on violence against women, through the automatic and regular exchange of information and by forwarding expeditiously relevant material it receives or prepares on violence against women. It encouraged the efforts made by the United Nations High Commissioner for Human Rights to promote and protect the human rights of women, including his efforts to coordinate the activities of relevant United Nations organs, bodies and mechanisms dealing with human rights in considering violations of the human rights of women.

62. The Commission requested the Secretary-General, taking into account the outcome of the Fourth World Conference on Women, to undertake the preparation of a joint work plan on the human rights of women for the Centre for Human Rights and the Division for the Advancement of Women on an annual basis and to inform both the Commission on Human Rights and the Commission on the Status of Women at their annual sessions, beginning in 1995, of those plans to facilitate the mainstreaming of the human rights of women, in the context of the implementation of the Vienna Declaration and Programme of Action.

63. Modalities for a clear division of labour and coordination of action between the Centre and the Division are being developed in the context of the follow-up to the Fourth World Conference on Women and will be included in the report on the follow-up to the Conference, submitted separately to the General Assembly.

E. Public information

64. The Secretary-General was requested, in paragraph 19 of General Assembly resolution 49/161, to continue to provide for the existing weekly radio programmes on women in the regular budget of the United Nations, making adequate

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provisions for broadcasts in different languages, and to develop the focal point for issues relating to women in the Department of Public Information. In cooperation with the Department for Policy Coordination and Sustainable Development, the Department should provide more effective public information programmes relating to the advancement of women.

65. The Department of Public Information continues to produce the weekly radio programme "Women" in English and twice-monthly programmes in Arabic, French and Spanish. These programmes are distributed to about 400 radio stations world wide.

F. World Survey on the Role of Women in Development

66. The Secretary-General was requested, in paragraph 16 of resolution 49/161, to continue updating the World Survey on the Role of Women in Development, with particular emphasis on the adverse impact of the economic situation on women. The first Survey was prepared for the World Conference to Review and Appraise the Achievements of the United Nations Decade for Women: Equality, Development and Peace, held at Nairobi from 15 to 26 July 1985. The General Assembly, at its fortieth session, considered the Survey and, by resolution 40/204 of 17 December 1985, requested the Secretary-General to update the Survey on a regular basis, focusing on selected emerging development issues that had impact on the role of women in the economy at the local, national, regional and international levels. It was emphasized that the Survey was the joint effort of the specialized agencies and other organizations of the United Nations system. The first update was submitted to the Assembly at its forty-fourth session, in 1989. That Survey explored women's participation in the global adjustment process and its impact on them.

67. As requested by the General Assembly in its resolutions 44/77 of 8 December 1989 and 44/171 of 19 December 1989, the second update of the Survey was issued in 1994. The Commission on the Status of Women, in its resolution 36/8, decided to include the Survey as one of the principle documents for the Fourth World Conference on Women. 5/ The 1994 Survey, like its predecessors, was a product of the United Nations system. It was based on micro-studies and specialized studies by organizations of the United Nations system. It utilized the third version of the Women's Indicators and Statistics Database (WISTAT), created by the Statistical Division of the Department for Economic and Social Information and Policy Analysis. The Survey examined three main issues, poverty, productive employment and economic decision-making, from a gender perspective. It has been issued as a United Nations publication under the title Women in a Changing Global Economy. 6/

68. By decision of the Commission on the Status of Women, the Survey is expected to appear on a quinquennial basis, in the year preceding the regular review and appraisal of the implementation of the Nairobi Forward-looking Strategies for the Advancement of Women. Accordingly, the next update should be issued in 1999.

G. Development of methods of compilation and data collection

69. In paragraph 29 of resolution 49/161, the Assembly recommended the further development of methods of compilation and data collection in areas of concern identified by the Commission on the Status of Women and urged Member States to improve and broaden the collection of gender-disaggregated statistical information and make it available to the relevant bodies of the United Nations system.

70. The World's Women 1995: Trends and Statistics 7/ was published for the Fourth World Conference on Women. It was prepared by the Department for Economic and Social Information and Policy Analysis in collaboration with the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), the United Nations Development Programme (UNDP), the United Nations Development Fund for Women (UNIFEM), the World Food Programme (WFP), the International Research and Training Institute for the Advancement of Women (INSTRAW), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Health Organization (WHO) and, within the United Nations Secretariat, the Division for the Advancement of Women and the Department of Public Information. The publication covers the core areas addressed in the first edition of The World's Women, in 1991: population and families, health, child-bearing, work and public life. It also includes new topics such as the media, violence against women, poverty, the environment, refugees and displaced persons, and 50 years of women's participation in the United Nations and in peace-keeping.

71. The Statistical Division also assisted in the preparation of documentation and public information for the Conference by circulating research reports prepared for WISTAT. WISTAT provides a comprehensive set of internationally available gender-based statistics in a single, comprehensive and well-documented source. It was established with UNFPA support and is available on diskette and CD-ROM. A manual was prepared by the Statistical Division for national use on how to compile and organize statistics on gender-related issues and how to present tables and charts and write up the quantitative analysis. The manual was used in draft form at various forums at the end of the year. This work is supported by the Joint Consultative Group on Policy (JCGP).

72. The Statistical Division, in collaboration with INSTRAW, conducted a training programme for users and producers of statistics in order to improve the use and quality of existing data on gender-related issues. Efforts have also been made to influence the revision of international standards and guidelines for collecting, classifying and analysing statistical information, with a view to integrating gender perspectives. For instance, INSTRAW and the Statistical Division actively participated in the latest revision of the System of National Accounts, the International Standard for Classification of Occupations and the International Classification of Status of Employment.

73. Research studies have also been conducted by INSTRAW on statistics and indicators on special groups. Results of such studies, containing recommendations on specific indicators that can be compiled from existing data and identifying the more crucial data gaps, have been published. Existing time-use data-collection techniques that can bridge existing gaps are being

modified for situations in developing countries. Objective approaches for measuring and recognizing women's contribution to economic development are similarly being developed, in line with the Nairobi Forward-looking Strategies and outcomes of regional plans and platforms for action and in accordance with the current statistical accounting system.

74. The secretariat of the Economic Commission for Europe (ECE) also carried out a number of gender-specific activities in the areas of statistics and demography. Work sessions on statistics on women are organized every three years as part of the work programme of the Conference of European Statisticians, and a new statistical publication, entitled Women and Men in Europe and North America, was issued for the Fourth World Conference on Women. In the area of demography, research projects have been undertaken on the socio-economic living conditions of elderly women, and on the relationship between child-bearing, union formation and dissolution, education and work. In addition, ECE has just completed a study on the use of time of women in Europe and North America.

75. The United Nations Industrial Development Organization (UNIDO) has established a database on women in industry. It became clear during that undertaking that large gaps existed in many countries in statistical data on women in industry and other data that were related to the role of women in manufacturing.

H. Participation of women in the planning and implementation of programmes for sustainable development

76. In paragraph 14 of resolution 49/161, the General Assembly urged organs, organizations and bodies of the United Nations system to ensure the active participation of women in the planning and implementation of programmes for sustainable development.

77. Following the United Nations Conference on Environment and Development, in 1992, the General Assembly established the Commission for Sustainable Development, whose role is to monitor, review and assess the implementation of the Conference agreements, including Agenda 21. The Commission, taking a thematic approach, reviews selected chapters of Agenda 21 each year; an overall review is scheduled for 1997.

78. Chapter 24 of Agenda 21, on global action for women towards sustainable and equitable development, concerns women's issues. The Commission for Sustainable Development, at its third session, in 1995, reviewed the report of the Secretary-General on the role and contribution of major groups (E/CN.17/1995/9), covering chapters 23 to 32 of Agenda 21, including chapter 24. In its 1995 report, the Commission stated the following:

"The Commission notes the growing awareness of the linkages among development, environmental protection and the empowerment of women. In accordance with decisions taken at relevant United Nations conferences, it calls upon Governments, organizations of the United Nations system and major groups to give particular attention to the need to involve women in decision-making at all levels of population and sustainable development-

related strategies, policies, projects and programmes. The Commission also calls for the further promotion of measures directed at empowerment of women, ensuring their full access to literacy, education and training, and health, and at the removal of all obstacles to their access to credit and other productive resources and to their ability to buy, hold and sell property and land equally with men. Such empowerment is an important factor in influencing demographic trends and sustainability." 8/

79. The Chairman of the Commission on Sustainable Development, in summarizing the high-level meeting of the Commission, made the following observation: "The crucial role of women as well as youth and indigenous people and other local communities in decision-making was reiterated by many delegations." 9/

80. The High-level Advisory Board on Sustainable Development held its third session in October 1994. One of the issues discussed by the Board was sustainable food security for a growing population. In paragraph 25 of its report (E/CN.17/1995/25), the Board noted that:

"Women play a critical role in rural development and agricultural activities. They produce 60 to 80 per cent of the basic food supply in sub-Saharan Africa; grow 70 per cent of the crops on the Indian subcontinent; perform over 50 per cent of the labour involved in intensive rice production in Asia as a whole; and manage complex agro-silvopastoral complexes in Central and South America. However, women are often in a disadvantageous situation with regard to social, economic, technological and legal conditions that frustrate or prevent them from being given the opportunity to fully participate in agricultural development. There is a need for legal, administrative and other measures to promote the access of women to land, agricultural credit, appropriate agricultural technologies, extension programmes, membership in agricultural cooperatives, training in use of fertilizers and pesticides, and training in conservation and land rehabilitation measures."

The Board advised that, in order to be effective, agricultural technology development must be based on a systems approach and must include a strong element of farmer participation with equal opportunities for men and women (para. 30).

81. A number of the reports of the Secretary-General to the Commission on Sustainable Development referred to the importance of women's equal participation in sustainable development.

82. In pursuit of its overall policy of support to women in development, the Department for Development Support and Management Services paid particular attention to assessing the actual and potential roles of women in all its various development activities. This entails designing specific strategies and mechanisms not only to include women as direct beneficiaries but also to promote their active participation in the various activities as they are carried out. The Department's efforts increasingly focus on support to women's productive activities as independent generators of income and their social empowerment as community leaders and decision makers.

83. The Committee on Food Aid Policies and Programmes of WFP, at its thirty-eighth session, in December 1994, adopted the WFP Mission Statement, which ensures that its assistance programmes are designed and implemented on the basis of broad-based participation. Women, in particular, are the key to change, and it is the aim of WFP to provide food to women as the providers and caretakers of the entire household, especially children. The WFP project approval process now requires that proposals relate explicitly to the action taken by Governments, non-governmental organizations and beneficiaries of WFP assistance in these areas.

84. An expert group meeting on women in industry, organized by UNIDO and held at Vienna from 10 to 12 July 1995, emphasized the necessity of developing and strengthening UNIDO's network, partnership and visibility in governmental and non-governmental circles, with a view to supporting its work on the integration of women in sustainable industrial development and of identifying regional problems and developing regionally specific strategies and recommendations for accelerating and monitoring gender-sensitive and sustainable industrial policies and programmes. UNIDO also provided assistance to Governments in the development of strategies for the integration of women in industrial development processes and policies (e.g., Burkina Faso, Kenya, Uganda and Zimbabwe).

IV. IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 49/162 ON THE INTEGRATION OF OLDER WOMEN IN DEVELOPMENT

85. In its resolution 49/162, the General Assembly requested the Committee on the Elimination of Discrimination against Women to pay particular attention to discrimination on grounds of age when evaluating national reports on the implementation of the Convention on the Elimination of All Forms of Discrimination against Women. The request was conveyed to the Committee at its fourteenth session.

86. In the same resolution, the Assembly invited the competent organs of the United Nations to adopt an approach that, in all their strategies and programmes for the advancement of women, took into account all stages of life. In the course of inter-agency discussions, it has become apparent that a life-cycle approach in dealing with the advancement of women has become normal in the activities of the organizations of the United Nations system.

87. The Assembly invited the international development agencies and organizations, including the United Nations Development Fund for Women and UNDP, to take account of the potential of elderly women as a human resource for development and to include older women in their development strategies and programmes. Among the organizations concerned, the United Nations Development Fund for Women provides direct technical and financial support to women's initiatives in developing countries. It also seeks to bring women into mainstream development planning and decision-making. The Fund has projects that target older women specifically, and address their needs and interests.

88. The Assembly invited the Preparatory Committee for the World Summit for Social Development to ensure that older women's concerns and contributions to development were considered at the Summit. The Copenhagen Declaration on Social

Development 10/ and Programme of Action of the Summit called for ensuring full and equal access to social services, especially education, legal services and health-care services for women of all ages and children, recognizing the rights, duties and responsibilities of parents and other persons legally responsible for children, consistent with the Convention on the Rights of the Child. 11/ It also called for ensuring that social protection and social support programmes meet the needs of women, and especially that they take into account women's multiple roles and concerns, in particular the reintegration of women into formal work after periods of absence, support for older women, and the promotion of acceptance of women's multiple roles and responsibilities. 12/

89. Finally, the Assembly urged the Commission on the Status of Women, as the preparatory body for the Fourth World Conference on Women, to ensure that older women's concerns and contributions to development were recognized and incorporated into the strategies, programmes and policies of the Platform for Action. The draft Platform for Action adopted by the Commission and transmitted to the Conference (A/CONF.177/L.1) contains references to older women in 5 paragraphs, to elderly women in 2, to women of all ages in 16 and to the life-cycle approach in 9.

Notes

1/ Report of the World Conference to Review and Appraise the Achievements of the United Nations Decade for Women: Equality, Development and Peace, Nairobi, 15-26 July 1985 (United Nations publication, Sales No. E.85.IV.10), chap. I, sect. A.

2/ First Consultative Meeting of the Culture of Peace Programme Final Report (UNESCO, 1994).

3/ Official Records of the Economic and Social Council, 1995, Supplement No. 6 (E/1995/26), chap. I, sect. C.

4/ Ibid.

5/ Ibid., 1992, Supplement No. 4 (E/1992/24), chap. I, sect. C.

6/ United Nations publication, Sales No. E.95.IV.1.

7/ United Nations publication, Sales No. 95.XVII.2.

8/ Official Records of the Economic and Social Council, 1995, Supplement No. 12 (E/1995/32), chap. I, sect. A, para. 92.

9/ Ibid., chap. II, para. 18.

10/ Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995 (A/CONF.166/9), chap. I, resolution 1, annex I.

11/ Ibid., annex II, para. 35 (c).

12/ Ibid., para. 38 (j).
